Writing a Demonstration Proposal

INTRODUCTION

This guide is designed to help you write a proposal for a demonstration grant   It contains examples that you can adapt to your particular situation. In addition to step-by-step instructions, the guide also has a number of other resources that may be helpful if you have a specific question. T*o the maximum extent possible, Frequently Asked Questions (FAQs) and examples have been included. If the examples will work in your proposal, or you want to copy the format of a table or spreadsheet, please use any of the presented materials.*

As you read through the guide, keep in mind that the grant you will be writing not only must meet the grant guidelines, it also must clearly describe what you will be doing with the demonstration funds so that the reviewer can easily understand your project. When you have completed your proposal, show a copy to others to see if you have been clear in describing what you will be doing in the course of your project. If your colleague can understand your discussion, then the staff reviewing your proposal should also have a clear picture of what you intend to do. Careful attention to the details of your grant proposal will strengthen the competitiveness of your proposal.

And now, for **Frequently Asked Questions (FAQs)**

What is the Employment and Training Administration?

The Employment and Training Administration (ETA) is the agency within the U.S. Department of Labor that administers funds allocated under Federal laws for the support of workforce development. Some of these funds are allocated by formula to State and local governments and some are administered directly by ETA. The new Workforce Investment Act (WIA) is the law that provides funds for the Demonstration grants.

Why does it matter to the Employment and Training Administration how you write your proposal?

ETA is responsible for directly overseeing the demonstration grants, which is to say that it must see that the funds are distributed and expended according to applicable laws and regulations. The process begins when ETA awards grant funds for applications submitted in response to a Solicitation for Grant Applications (SGA) for a particular demonstration. The grant application or proposal, once approved, becomes the legal agreement between the grant recipient and the Federal government and it governs how funds will be used. ETA holds grant recipients, or “grantees,” accountable to the terms and conditions articulated in the grant agreements. ETA staff monitors the implementation of the grants through reports sent by the grantees at regular intervals, through on-site visits, and through other contacts.

ETA has an office in Washington, D.C., commonly referred to as the national office, and regional offices in six other cities. Both national and regional office staff will be involved in the grant implementation process. Each grantee will be assigned a “Grant Officer’s Technical Representative” (GOTR) who will carry out ETA’s responsibilities for oversight and technical assistance.

Begin at the beginning. First, read carefully through the Solicitation for Grant Applications (SGA). Determine which type of grant under SGA/DFA 00-109 (partnership building or training), you think is most appropriate to your organization’s present circumstances, programmatic experience, and capacities. Note the deadline for grant applications, and develop a timeline for the gathering of pertinent information, meetings with various potential partners, the solicitation of letters of support or commitment and the actual writing and editing of the grant proposal.

Separate the discussions under each topic area of the SGA, so that you are clear what is expected to be addressed in each area as it relates to the type of grant you’ve decided to apply for.

Purpose
Eligible Applicants
Demonstrated Capacity
Financial Management Capability
Partnerships
Support from Partners
Activities Conducted as Part of the Demonstration Program
Collaboration
Staffing
Project Management

When you are ready to begin to write the proposal, you may find the suggestions below helpful.

1. COVER PAGE

> *Your cover page provides identifying information about your organization to the Department of Labor. There is no printed form. An example is provided at the end of this section. Feel free to use it if this will save you time.*

To make your proposal easier to review and catalog, and to easily identify your organization to the Department of Labor, your cover page should list the following information preferably in the following order.

First, indicate that the document is a *"Proposal In response to SGA No. : ."*

Then provide a title for your project. Because the title conveys a great deal of immediate information to the reader about your project, think about the impression you want to make. When your organization is awarded a Department of Labor (DOL) grant, your project may be publicized in newspapers and on the DOL's web site.

For your title, be concise and specific, and try to avoid terms people will generally not understand. Your project may already have a name—in that case, think about whether the name will paint the picture you want to create in the reader's mind.

It is helpful for project names to include key words. This allows the project to be indexed correctly. For example, if your project is about providing people with construction training while renovating buildings, you might name your project *"Learning, Building, and Renovating."*

Next, tell the reader who is submitting the grant application—the name of your organization or institution. This should look like: *"Submitted By: XYZ, Inc."*

Then, the:

- Address of the organization, including zip code
- Telephone number of the organization, including area code
- Fax number of the organization, if there is one
- E-mail address of the person submitting the proposal who could answer further questions clarifying aspects of the proposal.

Next, indicate who is approving the document for submission like this: *"Transmitted By: Kyle K. Knight, Executive Director."*

Finally, indicate the date on which you are sending the proposal. Now, take a look at an example.

EXAMPLE: COVER PAGE

Proposal In Response to SGA/DFA No. 00-109--------

Project Title:
Learning, Building, and Renovating
Tying Construction and Academic Skills Together

Submitted By:
XYZ, Inc.
400 W. Broadway Blvd.
Anytown, State 12345
Telephone: 123-456-7890 Fax: 123-456-7891
E-mail: XYZInc@inc.com

Transmitted By:
Kyle K. Knight, Executive Director

MARCH 30, 2000

2. STANDARD FORM 424

Standard Form 424 is the application for Federal assistance. You can download this form directly from the ETA website located at: http://www.wdsc.org/sga/index.htm. The example on the next page has the elements completed that are standard for all Demonstration proposals, specifically #1, Type of Submission, #9, Name of Federal Agency, and #10, Catalog of Federal Domestic Assistance Number, which in this case is "17.246."

Two elements are left blank: #3, Date Received by State, and #4, Date Received by Federal Agency.

Key elements to fill in are:

Block #2: Date Submitted (the date you mail the proposal)

Block #5: Applicant Information (including legal name and address)

Block #6: Employer Identification Number

Block #7: Type of Applicant

Block #8: Type of Application

Block #11: Descriptive Title of Applicant's Project

Block #12: Areas Affected by Project

Block #13: Proposed Project Start and Ending Dates (The ending date will be 12 to 24 months from the start date.)

Block #14: Congressional Districts

Block #15: Estimated Funding (The amount you are requesting from your Demonstration proposal goes on line a. Federal. If you are providing matching funds, and will include such funds in your budget, list those figures on the appropriate line; e.g., State, Local Other - Employees.)

Block #16: Not applicable to Demonstration applications

Block #17: Is Applicant Delinquent on Any Federal Debt? (If the organization is delinquent, check yes and attach an explanation.)

Block #18: Certifications and Signatures (The person signing is the person who has the authority to contractually commit the organization.)

OMB Approval No. 0348-0043

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED

Applicant Identifier

1. TYPE OF SUBMISSION

Application

☐ Construction

☒ Non-Construction

Preapplication

☐ Construction

☐ Non-Construction

3. DATE RECEIVED BY STATE

State Applicant Identifier

4. DATE RECEIVED BY FEDERAL AGENCY

Federal Identifier

5. APPLICANT INFORMATION

Legal Name:

Organizational Unit:

Address *(give city, county, state, and zip code)*:

Name and telephone number of the person to be contacted on matters involving this application *(give area code)*

6. EMPLOYER IDENTIFICATION NUMBER (EIN):

8	6	–	1	2	3	4	5	6	7

7. TYPE OF APPLICANT: *(enter appropriate letter in box*

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify)

8. TYPE OF APPLICATION:

☒ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es):

A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other *(specify)*:

9. NAME OF FEDERAL AGENCY:

Department of Labor
Employment and Training Administration

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: __ __ • __ __ __

TITLE:

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:

12. AREAS AFFECTED BY PROJECT *(cities, counties, states, etc.)*:

13. PROPOSED PROJECT:

Start Date	Ending Date

14. CONGRESSIONAL DISTRICTS OF:

a. Applicant

b. Project

15. ESTIMATED FUNDING:

a. Federal	$
b. Applicant/Federal	$
c. State	$
d. Local	$
e. Other - Employers	$
f. Program Income	$
g. TOTAL	$

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE

b. NO. ☐ PROGRAM IS NOT COVERED BY E.O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes," attach an explanation. ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Typed Name of Authorized Representative

b. Title

c. Telephone number

d. Signature of Authorized Representative

e. Date Signed

3. EXECUTIVE SUMMARY

> *The Executive Summary is usually one to two pages long and provides concise information about your project. Sometimes people refer to an Executive Summary as an abstract or a summary.*

The Executive Summary is a short piece, usually two pages or less, that gives the important information about your project. Write this piece first—it will help you clarify your project and may be very useful as you develop your proposal. You can provide a copy of the Executive Summary to organizations that will be providing letters of support, or to other people who will be writing portions of the proposal. A copy of the Executive Summary will help people target their letters and write more clearly about the project.

The Executive Summary should answer the questions: Who, What, When, Where, How, and Why? Because it may eventually be used in press releases, and perhaps on the Department of Labor's web site, write clearly and concisely. Remember that people reading your Executive Summary may not know very much about your project or about your work.

First, let's look at a few examples of what NOT to include in your Executive Summary:

- Your organization's mission statement or philosophy
- A detailed history of the organization that has no direct bearing on the grant proposal
- Vague statements, such as "our team comprises experienced professionals"
- Jargon or abbreviations that are not universally accepted, or
- Very long sentences (Be suspicious of sentences longer than 20 or 25 words.)

What should the Executive Summary include?

Who you are. *(XYZ, Inc. is a Washington, D.C.-based nonprofit organization. XYZ provides education and training services to individuals who are presently homeless.)* If you have partners, who they are. *(Our partners in Learning, Building, and Renovating are ABC Education Services and the Carpenter's Union.)*

What you will be doing with the Demonstration funds. *(The project provides a coordinated classroom and internship program for dislocated workers with disabilities that prevent them from returning to their previous employment.)*

- When you will deliver services. *(Over a 24 30 month period beginning when the ETA grant officer signs the grant.)*
- Where you will deliver services *(throughout ABC County).*

- How you will deliver services. Talk about your methods and approaches, such as nontraditional classrooms, bilingual staff, mentors from industry, or Web-based training.

- Why you are implementing your project. How does the project fill a need in your community? *(The number of workers in the industry who lack sufficient English language skills to comprehend instructional manuals written in English; or the number of workers who have not received training to update their skills to use new computerized assembly machines; represent 40 percent of workers in the industry.)*

FAQs About the Executive Summary

If I write the Executive Summary first, will I have to rewrite the Executive Summary when I complete my proposal?

Probably; however, it's still a good idea to write the Executive Summary first. You will clarify in your own mind what is important and it will save you time in the long run.

How do I know if a word is jargon, or if it is terminology specific to our work?

That's not easy. Sometimes a word begins as jargon and then becomes accepted usage within the field. Partnering is an example of a word that began as jargon and is now fairly accepted. The best test seems to be that if the word enhances understanding, use it.

How do I know if a sentence is too long?

Try reading the sentence out loud. If you run out of breath before you complete the sentence, it is probably too long.

4. STATEMENT OF NEED

> *The Statement of Need usually describes an issue in two ways—with words (a narrative description) and with numbers, facts, and statistics.*

The Statement of Need gives the reader a picture of the community issue or problem that will be addressed by your project. It describes the issue in terms of quality as well as quantity. It conveys a sense of the people, culture, and region, as those elements relate to the problem, as well as factual information documenting the need for your project. The picture does not have to be wordy or long. A few paragraphs and some key statistics may be all that is needed to get the point across.

In the Training Grant demonstration SGA, you are being asked to describe the need from three different perspectives—region's economic conditions and characteristics, the business environment especially with regard to those experiencing skill shortages and the nature of the skill shortages. Two different kinds of information go hand in hand in responding to this area—economic data and labor market information for the target area.

First, let's define some terms and look at some examples.

- *Statement of Need*—a description of the issue to be resolved or ameliorated through demonstration funding. The statement may come directly from the Executive Summary. *(This proposal is a coordinated response to the area's need for targeted construction training that also provides basic academic skills.)*

- *Target area*—usually a geographic area such as a county, rural area, city, or certain census tracts within an area. The target area defines the boundaries of the project. *(The target, Horizon County, is a geographically diverse county with both urban and rural population centers. The largest urban area, the City of Horizon, presently has a high percentage of job openings in the construction field.)*

- *Economic Information*—may include types of industry present, principle economic activities, largest target area employers, growing and declining industries. The information should be specific to the problem described. (*Eighty percent of the area's employers are small companies with less than 250 employees. Of the 1,500 employers in the area, almost one-third have fewer than 10 employees. Construction companies in the local area . . .)*

- *Labor Market Information*—could include labor force data, population statistics, socioeconomic status, cost of living, unemployment rates, and wages, as well as labor market projections. *(There was net loss of average personal income, from $24,000 per year per wage earner in 1995 to just over $23,500 in 1998. Wages for the targeted career field are 25 percent higher than the median wage.)*

Information to support the need is often in the form of numbers. The statistical picture should answer the questions: How big is the need? How often or seldom does it occur? How much or how little is actually needed? What is the significance of certain percentages? Charts can organize a great deal of information quickly and in a small amount of space. Give some thought to the chart's organization and display. Ask yourself, "How does this help support the Statement of Need?"

The example below provides data about what percentage of the total workforce is presently working in the construction industry. If this information were paired with information about the number of required construction workers, the table could provide supporting documentation for the need to train new workers in the construction industry.

EXAMPLE: TABLE TO SUPPORT STATEMENT OF NEED

Employment by Industry for XYZ County

Industry	Employment	% of Total
Manufacturing	216,641	10.53
Construction	141,593	6.89
Transportation, Communications, Public Utilities	98,476	4.79
Wholesale Trade	109,438	5.32
Retail Trade	386,549	18.80
Finance, Insurance, and Real Estate	137,586	6.70
Services	615,538	29.93
Government	293,729	14.28
Non Classifiable	3,210	0.16

*XYZ Department of Commerce, http:www.commerce.state.XYZ.us/datapages

What NOT to do in the Statement of Need:

- Write a long narrative with a lot of statistics. If you have more than two or three pieces of data to show, use a chart.
- Compare apples to oranges. If one piece of data talks about median income, don't compare it to average income someplace else.
- Distract the reader with information that is neither relevant nor related to the problem or need.

Each proposal's Statement of Need will have a different focus and will emphasize different pieces of information. The example below provides one way to organize with subtitles or subheadings.

EXAMPLE: STATEMENT OF NEED

Statement of Need

The available workforce's skills, abilities, and knowledge do not match skills needed by area employers. Twenty percent of our workforce is unemployed or under-employed (working at $6.50 or less per hour), yet area employers report between 10 and 100 vacant positions per company.

Target Region. XYZ County is the target area for the Demonstration project. Of the County's population of 1,300,000, 70 percent, or 910,000 people, live in the major urban area . . . The applicant for the proposal is the . . . and represents . . .

Socioeconomic Data. XYZ has a larger-than-national-average population of . . . Socioeconomic indicators show that 17 percent have reading levels at or below 8th grade. A comparison of socioeconomic indicators follows.

Comparison of Socioeconomic Indicators across City, County, State and U.S.*

Category	Bantam City	Bantam County	State of Bantam	United States
Population	910,000	1,300,000	4,789,789	272,330.000
Median household income	$19,000	$24,000	$31,000	$35,172
Average unemployment	17%	11%	5%	4.3%
Poverty level	25%	19%	11%	12.7%
Single parent family living below poverty level	18%	12%	12.2%	11.8%
Workforce with less than 9th Grade education attainment	13%	11%	10%	9.4%
Percentage of dislocated workers	18%	10%	7%	3.5%

*U.S. Census Bureau, 1998

Business Environment. Economic development in XYZ County. . . The area is known for . . . The largest area employer is . . . Most businesses are small to medium in size with . . . and in the services sector.

Employer Skill Shortages. The XYZ Chamber of Commerce lists the construction industry among the fastest-growing segments. Local construction companies report vacancies totaling 22,222.

FAQs About the Statement of Need

How long should the Statement of Need be?

There is no hard and fast rule, but the more concise, the better. About two to four pages is probably long enough.

Where can I obtain the statistics and data I may need to support the Statement of Need?

If you have never surfed the Internet, now may be the time to try it. Most of the information you need will be there and it is a fun way to do the research. Popular places to look are:

- The Census Bureau (http://www.census.gov)
- America's Career InfoNet (http://www.acinet.org/acinet)
- Web sites for State and local Chambers of Commerce
- Local One-Stop Web sites
- Local economic development agencies and industry associations
- America's Labor Market Information System (ALMIS) (http://www.ttrc.doleta.gov/onestop/)
- Area Substate dislocated worker data bases, which may come from the Workforce Investment Board (formerly Private Industry Councils), or a local government entity, such as the city or county employment and training office

Of course, people in your organization and the reference librarian at the local library may also have or know of information that will help you state the need for your project.

Do data sources always need to be referenced?

No, but it is a good idea. As you write more proposals it will help you keep track of where you got the data. It also helps the reader to evaluate the validity of the information.

5. TARGETED POPULATION—Dislocated Workers, New Entrants, or Incumbent Workers

> *The Target Group to Be Served includes a description of who the project participants will be within the range of eligible people. Eligible people for this proposal are defined for you in Section 101(9) of the Workforce Investment Act (WIA).*

You must explain two things about the people (target group) who will be served in the demonstration:

- Does "who will be trained" match the need talked about earlier in the proposal?
- Are there enough eligible people in the potential pool of participants to support the project's anticipated number of participants?

You want to take into consideration a couple of other points and ask yourself some questions as you are determining who will be served.

- Does the target group require services not available through the anticipated demonstration grant funds? If your selected target group requires more services than your grant provides, you must have other resources to augment the Demonstration grant, or, you should reconsider your choice of target groups. Every grant has finite resources and it may not be possible to adequately serve target groups whose needs exceed the grant resources.
- How large should the group be? How diverse or uniform? Do you want to recruit by percentages? Do you intend to serve only one segment, or several segments? These questions will influence the service selection.

The target group, or the people you plan to serve, is usually well defined conceptually by the time you have gotten to this point. It is now a matter of putting it on paper.

For our hypothetical *Learning, Building, and Renovating Project* our target population might be defined as: *Learning, Building, and Renovating will provide services to 100 first-time workers, who are between the ages of 19 and 24. Most of the participants will need some additional skills in basic math and reading in order to successfully complete the pre-apprenticeship curriculum. Additionally, our target population will require access to a wide range of supportive services, including transportation, childcare, and work clothing. Based on past history, approximately 25 percent of our participants will be single parents . . ."*

FAQs About the Target Group to Be Served

What does "eligible" mean?

The word "eligible" refers to who is eligible under The Workforce Investment Act, Section 101(9). Eligible dislocated workers are those who:

- Have been notified of a layoff or already are laid off from work due to lack of work or a facility closure;

- Have exhausted unemployment benefits;

- Have worked a significant period of time but are not eligible for unemployment because of insufficient earnings or the employer was not covered under a State unemployment law;

- Are unlikely to return to a previous industry or occupation;

- Were self-employed and closed business because of general economic conditions, meaning no market for the product or service;

- Are displaced homemakers dependent on a family income that is no longer available and are underemployed or unemployed;

- Are eligible for unemployment benefits, but take a temporary job, sometimes called a subsistence job, making at least 80 percent less than what they made before. This usually happens when temporary work pays more than unemployment benefits.

Or are:

- A new entrant into the workforce—this includes young adults (18 years and over), welfare recipients, disabled persons, and others with limited work histories, but who could, under the demonstration training program, work and be self-sufficient.

Or are:

- An incumbent worker—a person currently employed at a small- or medium-sized business (500 or fewer employees) whose job skills do not meet the current or future needs of the company if it is to remain competitive, and who has been identified as being at risk for being laid off.

What is meant by "Self-Sufficiency?"

The Department of Labor has different definitions for different groups:

- For new entrants into the world of work, self-sufficiency means that the wages of the job being trained in exceed the DOL-published "lower" living standard for that person's family size. The Department of Labor can direct you to where you can find this information.

- For dislocated workers, self-sufficiency means the wages for the job a worker is trained in will pay at least

- 90 percent of the worker's previous wages within a year's time.

6. TARGETED JOBS

The Targeted Jobs section presents one aspect of the proposed solution or solutions to the skill shortages identified in the Statement of Need. The section identifies jobs for training which the applicant can document are clearly going to be available to the individuals who successfully complete the proposed training. This means that sources of data to support this selection of jobs and training are very important. The purpose of the project is to meet the area need with an action plan that addresses the problem described. The objectives are the outcomes that you believe will address the identified problem.

A statement is needed here that links the proposed jobs and training to the targeted population and assures that the appropriate employers have been involved in making known their needs (through surveys, focus groups, employer association reports, formation of an employer advisory group, union and management input, etc.) regarding the requisite skills necessary for hiring of project completers. Industry data provided by local associations, or whose collection is planned as a jointly sponsored grant activity can be particularly valuable If the proposal targets an underserved population it is also helpful to have information regarding the underserved group's skill levels and employer hiring practices in the targeted skill shortage occupation.

The nature and source of the data used and the type of employer involvement will be closely evaluated by the reviewer to see if there appears to be the groundwork for sustained cooperation and collaboration during the implementation of the project and beyond the grant period.

Role of unions. The Department has always firmly supported the role of worker involvement in training of incumbent workers or where additional training is provided in areas with substantial union involvement in the targeted industry. For this reason, the SGA requires consultation with appropriate labor unions when organized labor represents a substantial proportion (approximately 20 percent) of the local workers in the field or industry in which training to be developed.

7. STRATEGY OR SERVICE DELIVERY PLAN

ThIs section presents solutions to the Statement of Need. The purpose of the project is to meet the area's need with an action plan that addresses the problem described. The objectives are the outcomes that you believe will address the identified problem. This section is the heart of your proposal—this is where you tie your information about the need, the target population, and the purpose together.

It is helpful to begin with a purpose statement. Purpose statements let the reader know exactly what you intend to accomplish through the project by stating the goals of the project. Objectives are milestones or results that let you know when your purpose or goal is accomplished. Both should be directly related to the Problem or Statement of Need. For example, in our hypothetical project, *Learning, Building, and Renovating,* we are providing basic skills education and construction training for new entrants into the workforce. In this case the purpose and goals statement might look like this:

→ *"The purpose of the Learning, Building, and Renovating project is to provide 19-to-24-year-old participants with a high school diploma, who have shown aptitude for logic-based activities training enables them to complete the A+ and Microsoft Computer Systems Engineer certificates through a compressed training program accompanied by internships with local employers."*

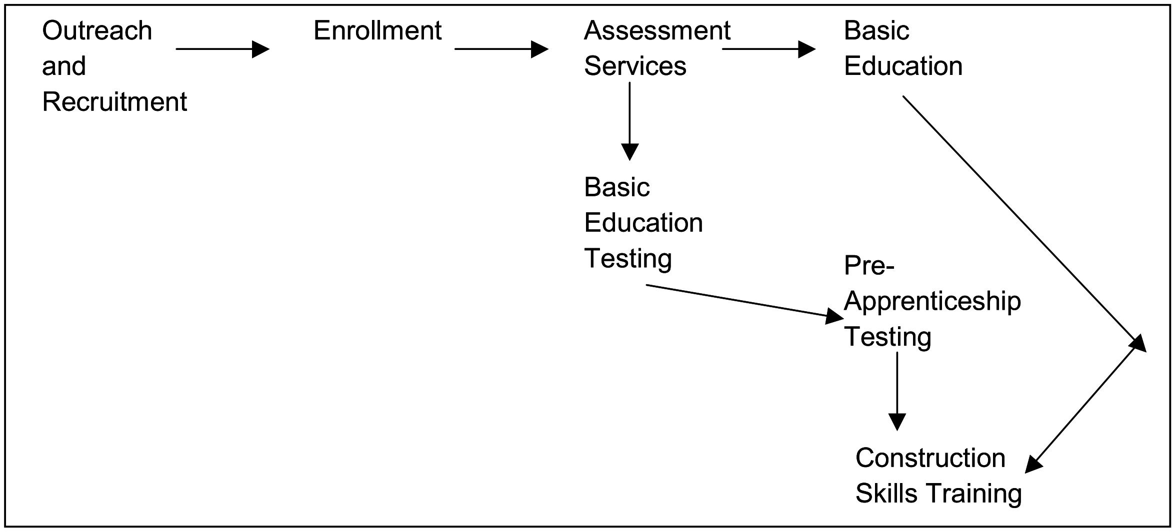
Your Statement of Need led you to select certain populations and services. Now is the time to talk about those services in relation to the target population and the community needs.

First, it is a good idea to discuss each service that your organization will provide, regardless of whether it is to be paid for by the grant monies, or is contributed by another organization. If you believe the service is necessary for your participant to succeed, talk about the service in this section. This may be expressed in chart form.

When you discuss the service, talk about the mechanics, such as when and where the service will be provided. *(Basic education classes will be conducted from 7:00 a.m. until 11:00 a.m. daily. The classroom, located at the same physical location as the construction skills training area . . .)* Discuss your philosophy and methods. *(Using adult learning principles, . . . self-paced . . . all learners profit from having a relevant context for learning.)*

An idea for this segment is to discuss each service separately in your narrative, focusing on the strategies and methods (the how) and the more mechanical requirements, such as the who, what, and when. When you've completed your discussion, think about whether a flow chart would help make your service strategy clearer for the reader. A sample flow chart is shown below.

EXAMPLE: SERVICE FLOW CHART



- Will you require participation or cooperation from other organizations to successfully complete your project?

IIf the answer is yes, then the organization is considered a partner in implementing your project. Partner organizations may provide a service to the project, such as outreach and recruitment, or provide a service directly to your participants, such as drug and alcohol counseling. Partner organizations may also provide resources such as materials, office space, or staff time. The organization may or may not receive reimbursement for the service or goods it provides.

7. COLLABORATION

To repeat, an organization is considered to be a partner when it is determined to be necessary for the implementation of your project, or to the continuation of your project when demonstration funds have been exhausted. Partner organizations may provide a service to the project, such as outreach and recruitment, or provide a service directly to your participants, such as assessment or child care. Partner organizations may also provide resources such as materials, office space, or staff time. And finally but just as importantly, may provide the liaison activities to the employer community such as the Chamber of Commerce, or an employer industry association. The organization may or may not receive reimbursement for the service or goods it provides.

The Department of Labor wants to be assured that each critical link in implementing your project understands what its job is, and agrees to accomplish that job. To validate your partnership, you can have a letter of commitment in the proposal, or you can describe the working relationship. Some grant writing experts suggest the applicant write the letter for the partner’s signature. Based on the idea that the proposal writer is more aware of what the letter should say.

However, when a proposal contains many letters with the same text of support, the reviewer may be concerned that the proposed partner has given little thought to the nature of its commitment

Often letters appear more as letters of support and do not offer any concrete commitments to the project. Letters of Commitment are very specific. They list the services, they discuss the partnership efforts, and they may outline the money that is provided as a match, or the cost for services that will be provided to the project. Here's an example of a Letter of Commitment.

EXAMPLE: LETTER OF COMMITMENT

March 30, 2000

Mr. Joe Brown, Project Director
Learning, Building, and Renovating
XYZ, Inc.
400 W. Broadway Blvd.
Anytown, State 12345

RE: Letter of Commitment

Dear Mr. Brown:

As Executive Director of the Family Counseling Center, I am pleased for our organization to partner with you in providing drug and alcohol counseling services to clients in the Learning, Building, and Renovating Project.

Because of our past experience working together on similar projects, our organizations already have referral and reporting procedures in place. Our organization will provide the following services for your clients:

- Outpatient drug and alcohol counseling.
- Two staff development sessions.
- Drug and alcohol screening services.

All of these services are valued at a cost of ______. We will fund the services through ________, and they will be provided at no cost to your program.

I am personally excited by this opportunity to expand and improve the work we have jointly begun.

Sincerely,

Jane Smith, Executive Director

While letters of support are generally given less weight in reviewing the level of collaboration, they will be useful in the Partnership Building applications as an indication of the willingness of the organization to work together to discern the final and most appropriate roles for each party during the planning phase of the grant.

In the case of the Partnership Building grant, a letter of support from the Workforce Investment Board indicating its willingness to pursue solutions to skill shortages with the applicant and some indication of the resources (staff, funds or previous survey information) could be an appropriate indication of initial interest and support. However, you will note that the Training Grant application *requires* that the Workforce Investment Board is a partner in the grant's implementation. Thus a more strongly worded letter of commitment would be the most appropriate submittal for this type of application.

FAQs About Collaboration

How do I interface with existing workforce investment services?

The Department of Labor is interested in funding projects that collaborate with and complement the local area's workforce investment plan. Each area has developed a 5-year plan. If your project is already a part of the local system, put a statement to that effect in the proposal, and describe how the project is part of the system. Do you receive funding from the local Workforce Investment Board? Do you collaborate on other projects? Is a member of your organization or board of directors on the Workforce Investment Board? These are all ways that your project can fit into the local system and avoid duplication of services.

If you're not sure, you'll want to do a little detective work.

- First, locate your local contact for the Workforce Investment Board. It may formerly have been called the Private Industry Council. The website for identifying the WIB in your area is listed in the Appendix.

- Second, call and talk with someone who can help you determine how your project could fit into the plan. The idea is to stretch service dollars by collaborating wherever possible and to complement other activities planned by the Workforce Investment Board through its local One Stop Career Centers.

- You can also ask for a copy of the workforce investment area's plan and determine how your work will support its objectives.

- Finally, describe, in writing in your proposal, how your project will interface with the existing plan., perhaps it may complement those areas they were unable to address fully given the limited funds available in the area.

8. MANAGEMENT

PROJECT PROGRESS TRACKING. How will you measure your progress toward your goal? Usually there is a level of performance expressed as measurable objectives that are directly related to the goal. For an example, see the next table.

EXAMPLE: DISPLAYING PROJECT GOALS AND OBJECTIVES

Goal	Objective
Enroll 19-to-24-year-old participants	100 participants are enrolled
Target group receives A+ computer training	90 participants complete and pass A+ certification
75% of original participant group completes MCSE training	75 participants pass MSCE training and receive certification

How will you collect and analyze the data about objectives? In this section we're not concerned with analyzing the data from an evaluation perspective, but rather from a management perspective. For example, if one objective is to have 100 participants enrolled, and by our timeline we should have the participants enrolled within 2 months, if we only have 25 participants enrolled at the end of 1 month, we have a management problem.

Briefly discuss how you will gather the data to continuously evaluate your progress toward achieving your outcomes. ("Participant enrollment statistics and completion of basic skill education classes are submitted weekly to the management information system reports and records section. The combined data are available to the program manager on a weekly basis. These data, in combination with other management reports such as . . . , provide the Project Director with information for continuous improvement.")

FAQs About Project Management

How do I know what objectives and measures to use?

Your objectives should be in the form of measurable outcomes that will be incorporated in your required project evaluation. It is probably wise to link these two elements so that your management of the project also supports your evaluation strategy. Make sure that you are familiar with ETA's requirements for project evaluations (see Project Evaluation section of the training manual) before you determine your objectives.

Objectives should be measurable within the limits of your grant resources and project capacities. Therefore, don't set up objectives that would: (1) be prohibitively expensive to measure, (2) call for personnel unavailable to you, or (3) occur after the grant has ended.

Benchmarks: Work Plan/Time Schedule/Deliverables

> *The entire proposal comes together in this section. The activities of developing your work plan, setting a time schedule, and targeting your deliverables are extremely important. This section assures the Department of Labor that you understand the work involved in your project and that you have a plan to accomplish the work.*

There are many correct ways to approach writing this section in your proposal. The following five-step process is one effective way. If you choose to use this process, it may make the section easier for you to write. We suggest you tackle this section after you've written the *Statement of Need, and Service Plan/Strategy.* The W*ork Plan* is an excellent place for charts or tables, coupled with a narrative.

- Step 1: Gather your materials, including the pieces you have already written, specifically the *Services To Be Provided*.

- Step 2: Decide what your deliverables will be. Examples of deliverables are certain kinds of outcomes for clients, such as completing training, or going to work. Other deliverables are written products, such as development of an employer survey, analysis of results from an employer survey, signing Memorandums of Agreement with partner organizations, convening an Employer Advisory Committee, project implementation plans, designing of new curriculum, report of pilot test of new curriculum and other reports. Your tasks (and eventually your personnel) will be organized around the timetable benchmarks for accomplishment of your deliverables and outcomes.

- Step 3: Look at your materials and decide how best to display the information. What parts should go into a table? What information is best in narrative form? These choices are slightly different for every project; however, almost all projects can benefit from using at least one table in the *Work Plan.* Now go through the *Strategy and Service Plan* and all the associated materials. Make a list of tasks and place each one under the correct deliverable. Decide what should go into a table and what should become narrative.

- Step 4: Look at the deliverables and the tasks and determine if certain things must occur before other activities can take place. Put your tasks in order. Some may occur simultaneously. Complete the time schedule.

- Step 5: Ask a colleague to review your *Work Plan* for sequencing and logic. Now write the narrative associated with the *Work Plan*.

The following examples demonstrate several ways of displaying information in your *Work Plan.* There are as many ways to approach this problem as there are projects; however, hopefully, you will be able to adapt some of these examples for your project.

Your *Work Plan* forms the basis for determining your personnel needs. You can take the tasks from the work plan in order to determine staffing requirements.

EXAMPLE: WORK PLAN

Deliverable	Tasks	Start Date	End Date
Achieve recruitment goal of 150 participants	Send recruitment flyers and letter to current list of community-based organizations.	1/00	2/00
	Contact local welfare-to-work project and provide information about construction training.	1/00	1/00
	Outreach worker visits five locations daily where participants are likely to be present. Locations include the welfare-to-work office, WIA contractors, community-based organizations, and community centers.	1/00	2/00
100 participants enroll in construction training	Participants complete intake paperwork.	2/00	2/00
	Intake paperwork submitted to MIS department. Information is entered into MIS system.	2/00	3/00

Another way of putting the identical information into a table for this section is shown in the following example.

EXAMPLE: TASKS AND TIMELINE

Task	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Send recruitment flyers and letter to current list of community-based organizations.				
Contact local welfare-to-work project and provide information about construction training.				
Outreach worker visits five locations daily where participants are likely to be present. Locations include the welfare-to-work office, WIA contractors, community-based organizations, and community centers.				
Intake paperwork submitted to MIS department. Information is entered into MIS system.				

This table could have a 6th column labeled "Staff" and a 7th column labeled hours. The hours by staff person column would provide the information required for your personnel requirements. The table could also be broken into monthly rather than quarterly segments.

The final task in writing the *Work Plan* is to create the narrative to support your charts, and to provide any additional information. Questions to answer in your narrative are:

- What is the basis for your selections of tasks and your time schedule? Have you done this work previously and do you know how long certain things take to accomplish?

- Are there tasks that are not evident, but that must be carried out in order to achieve your intended outcomes? For example, will you be hiring staff?

- Are there management and fiscal activities that are required to support the project? For example, are there subcontracts that must be executed in order to provide certain services? The Department of Labor requires management reports. The due dates for those reports can go in your *Work Plan.*

Customer Satisfaction and Continuous Improvement

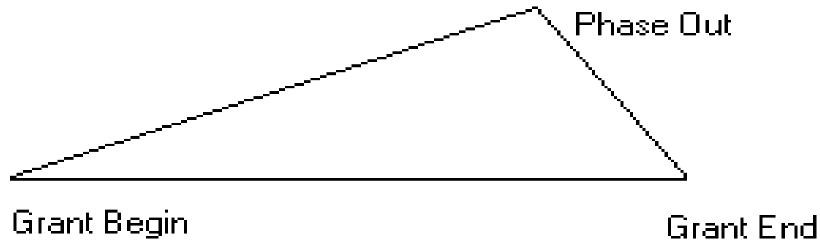
It is recognized that in order to operate a successful training service, there must be continual feedback from the project's customers – employers, training providers, and participants. In order to obtain the necessary feedback, the project planners and operators will need to identify the critical points during the project operations that require feedback to assist in determining the quality of the operation/services. A methodology to collect feedback from the appropriate customers at each critical point must be part of the planning process.

Similarly, there must be ongoing commitment from those managing the project to review and analyze this feedback data and to make the appropriate adjustments in the project's operations as indicated by the information gathered and analyzed. For this reason, it is important that there be multiple feedback opportunities during the project operation, not only for employers but also for participants. The methods of collecting feedback information vary but two methods frequently used in employment and training programs are surveys and focus groups. This information is often correlated with data regarding participants who drop out early or who are unusually successful or unsuccessful in completing the training design. Together, quantitative and qualitative data provide a good source of data on which to make project design changes.

Phase-Out Plan

> *Having a plan for concluding the project is important so that it does not end leaving some participants without the opportunity to complete it. The Department of Labor is also interested in your plans for continuing the project (called sustaining or institutionalizing) without DOL funds.*

The first figure to consider in developing a Phase-Out Plan is 1 to 2 years—the length of time that each project will receive Demonstration funds. During the grant period, you want to start up the project (unless it is already an ongoing project), provide services according to your statement of work, and phase down.



FAQs About the Phase-Out Plan

What do I need to consider in my Phase-Out Plan?

- How much time will it take to phase out the project? You'll have final reports to submit at the end of the project that need to contain information about the outcomes. For ETA, outcomes will, at a minimum, include job placements. Outcomes may also include wage increases or job upgrades. Give yourself sufficient time to realize your objectives. Obviously, you can't provide services until the last day and then suddenly stop, so think about how much time it will really take. 30 days? 45 days? The number depends upon your project.

- Final reports—what are they, what do they need to contain, and who receives them?

- Will you have participants who will need special arrangements in the event that they will not complete scheduled activities prior to the conclusion of the project?

- Who will you need to help phase out the project?

- Will you have any special considerations, such as paying for facilities or utilities?

Do you have any ideas about how to sustain a project?

As you begin your project, start immediately to think about how you will sustain it. For example, by developing partnerships and bringing in resources to supplement the Demonstration grant, you will ensure that some elements of the project will not be dependent on the grant.

Next, look at your budget and determine what costs must be continued. You may have some costs that are only incurred once. Curriculum development is an example of a one-time cost—you may have to pay for occasional updates, but you won't have to continually update the curriculum. Once you have determined the budget for recurring costs, you will know the dollar amount that must be sustained in order to continue your project.

Engage your project partners in planning for sustainment. If everyone agrees that the project is valuable—and, hopefully, you will have some data to support that contention—work with your partners to develop alternative funding sources.

In some communities employers will contribute equipment, training space, and sometimes even instructors. If training is involved, can the training become an accredited course that could come under the umbrella of your local community college?

What happens if I have participants who don't complete training?

Chances are you will have a few participants who will need to continue past the grant period. Think now about how you will manage the situation. Can a different program pick them up? Can you start your groups early enough in the grant period that you will have time to take care of everyone? A strategy for serving this group of participants must be included in the Phase-Out Plan.

7. STAFFING

> *How will you staff your project? What is the level of effort required? What qualifications will be required in order to effectively complete the work? Will your staff be assigned full time or part time to the project? Your decisions about staffing your project should be based on questions such as these.*

The first and most important issue to discuss in this section is how to determine the staffing requirements to complete the scope of work. Look at the project tasks and examine the level of effort for each task. For example, if your project requires outreach and recruitment activities during the first 2 months of the project, what tasks will be involved and how much time will it take someone to do the work? Correctly identifying the necessary level of effort will allow you to determine how many people you'll need to effectively implement your project.

EXAMPLE: LEVEL OF EFFORT CORRELATED WITH TASKS AND TIMELINE

Task	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Program Manager	Case Manger	Outreach Worker	Level of Effort # Hours
→ Send recruitment flyers and letter to current list of community-based organizations. Make presentations to community organizations					40	40	20	100

Contact local welfare-to-work project and provide information about construction training					2	4	10	16
Outreach worker visits five locations daily where participants are likely to be present. Locations include the welfare-to-work office, WIA contractors, community-based organizations, and community centers					8	8	320	336
TOTAL HOURS					50	52	350	452

If you already have assigned staff to the project, you may wish to ask yourself some questions; for example:

- Do you have the right mix of job skills?
- Do you have enough staff to do the work?
- Do you have job descriptions and/or résumés for each person?
- Does the workload support the staffing pattern?

Note: In recent SGAs the Department has required that the grantee hire a full-time project director to ensure an appropriate level of effort is committed to the success of the demonstration.

Once you've determined the personnel requirements, the next job is to display your information. Consider putting a personnel manning chart in this section. You can combine some information about your staff with information about the job requirements. It might look like this:

Project Personnel

Position	*Staff Assigned*	*% Assigned to Project*	*Relevant Qualifications*
Project Director	Joe Brown	*100%*	Managed employment and training programs for 16 years. Master's degree in social work.
Case Manager	Lorraine Flow	75%	Case manager for *Learning, Building, and Renovating* for 3 years. During that time her participants had the highest attrition rate of any caseload.

What if your staff has vacancies, or you will be expanding, or your program is new? You can still use a personnel manning chart, it will just look different.

Project Personnel

Position	*% of Time Assigned to Project*	*Relevant Qualifications*
Project Director	*100%*	3 years management experience, 5 years experience working in similar projects, B.A. degree in related field.
Case Manager	75%	3 years case management experience, preferably with similar projects; BA degree in related field; prefer bilingual.

You also have an option to write about your staff, either to complement your charts or in lieu of charts. That might look like this:

"Joe Brown, Project Director, is assigned full time to Learning, Building, and Renovating*. Mr. Brown has managed similar projects for over 16 years and has been with* Learning, Building, and Renovating *for 3 years. During that time the project has grown from a staff of three people to a staff of 16 and the scope of services has expanded significantly. Under Mr. Brown's direction, client services . . ."*

You may want to put staff résumés in an appendix to the proposal. It is a good idea to have a standard format for your résumés. This allows the reviewer to quickly look at the résumés and gain an understanding of the staff's capability. For the Demonstration proposals, résumés should probably be two pages or less. The following example is a potential format for your résumés. Obviously your résumé will be longer.

EXAMPLE: STAFF RÉSUMÉ

Joe Brown, Project Director
Learning, Building, and Renovating

Relevant Qualifications
Over the past 3 years managed a project budget of over $1 million. Project exceeded all contract standards, including job placements, outreach goals, and training competencies.

Work History

1997 to Present	Director, Learning, Building, and Renovating
1993 to 1997	Program Manager, Private Industry Council

Education and Training
Master of Social Work, Florida State University, 1973
Certificate, *Community Facilitation,* 1997, 40 hours

FAQs About Staffing

What should I consider in setting staff qualifications?

First, you may already have staff doing similar or even identical work. What are their qualifications? Do they seem to have the skills to accomplish the work? Then, ask yourself what qualifications are a generally accepted standard. Keep in mind, of course, that it doesn't make good sense to ask for qualifications if the salary will not support the requirement.

I want to assign a staff member part time to this project. Can I do that?

Yes, you can have someone working part time. The real question is: Is the amount of time allotted satisfactory to accomplish the work? And from a management perspective, if a person is working part time on this project, what is he/she doing with the rest of his/her time? Can he/she effectively manage working on two projects at once?

I don't have a person assigned. What should I do?

Think about using a job description instead of a résumé. Also, in the narrative you will want to assure the DOL that you will be able to recruit this person. When you last advertised for a similar position, did you receive a number of applications or résumés from qualified people? If so, put that information in the narrative.

8. REPLICATION

> *Your grant application should show ETA how managers of other programs operating under the workforce development system might learn or benefit from your project. This is how ETA builds and refines the science and art of good service programming.*

What can be learned from your project experience can be related to design decisions and readjustments, project operational outcomes,or the products that resulted from your project. For example, your final report of your Demonstration project for dislocated workers might show that linking your Construction Training program with temporary help agencies that can place construction workers enables you to give trainees valuable part-time work experience while in training. You might also discover that feedback from the agency improves the quality and relevance of your training. So, findings can be about outcomes or specific methods employed that prove useful.

However, final report findings are not necessarily limited to good results or practices. We also can learn from mistakes. Letting others know what *not to do* is also valuable. Wouldn't you appreciate someone giving you a tip that prevented lost time and frustration?

Every project will have at least one product in the form of your final report. Other products could be technical assistance guides, customer satisfaction surveys, management information system (MIS) software programs, training curricula for either staff or dislocated workers, or even enrollment forms. In some instances, these helpful products will be the intended results or objectives of the Demonstration project. In other instances, they may be by-products that you feel are worth sharing with others.

How your project experience could best be used should be discussed in your proposal.

FAQs About Replication of Results

Who are the likely users of the product or findings?

If your findings cannot be generalized to all groups, specify who you think will most likely benefit from them. Will they be useful only to operators of dislocated worker programs, programs that serve youth, any program that serves low-income clients? Or would the potential users be the research community, financial managers, teachers, and/or government policy makers?

What form will your findings or products take?

Describe how you think a particular end product will look. Will it take the form of a report, training guide, or guide? If so, provide ETA with a proposed table of contents, and under each topic heading write a brief statement that explains what the topic will discuss. If your product is a set of forms, training curriculum, or MIS software, describe the properties of the electronic version, since ETA will want both hard copy and electronic files of such products. Also indicate if there will be instructions for the product's use. The following example demonstrates how you might provide a table of contents if your product were a planning guide.

EXAMPLE: DEMONSTRATING A POTENTIAL PRODUCT

DISLOCATED WORKER PROGRAM PLANNING GUIDE

Chapter 1. Establishing the Planning System

This chapter covers how to develop policies and linkages critical to planning program services for dislocated workers. Subtopics include:

- State and local relationships
- Alternative decisionmaking structures
- Negotiating review processes for grant applications
- Forming consortia of stakeholders to link resources
- Alternative methods for multi-organizational planning
- Alternative methods for staffing a planning unit

Chapter 2. The Planning Process

This chapter provides an overview of three planning approaches—Cyclical Planning, Planning Based on Needs, and Strategic and Operational Planning. Within these topics, methods for using population characteristics data, labor market analysis, and community services analysis are discussed. A discussion of how to define needs of dislocated workers, establish priorities, and establish realistic objectives concludes this chapter.

How will my end products improve ETA's workforce development system?

Explain how your product(s) will enable potential users to improve dislocated worker programs or some other aspect of the workforce development system. For instance, you might say that the planning guide above "will show organizations that typically collaborate around dislocated worker programs how to avoid duplication of services and streamline service reporting."

It is especially important to elaborate on this section of your grant proposal when a product is the primary purpose of your project. When the generation of project products requires the allocation of substantial grant resources, ETA will want to know what they will be getting for the expended funds in terms of usefulness to others. If you are concerned that ETA will hold you to a specific product that may not materialize because of the innovation it represents or other factors beyond your control, stipulate what these factors may be in your discussion and how you will address these challenges. Remember, this section of the grant concerns how your findings may be utilized and a report on the difficulties faced in achieving your goals may be useful to others who may follow you in similar ventures.

How am I supposed to know while writing the proposal what my findings might be?

Well, obviously, you won't know altogether. But your purpose and objectives and your evaluation plan refer to expected outcomes. Use these as the basis for discussing in your proposal how such findings may be useful to others. At the conclusion of your project in the course of presenting your evaluation, you will have opportunities to present unanticipated findings or results.

If I am unfamiliar with the workforce development system, how will I judge the usefulness of my findings?

Your local Workforce Investment Board (WIB) has an administrative entity responsible for coordinating ETA job training programs in your community. You can discuss your objectives and project design and seek assistance on how your results might be useful to others

How long should this section be?

This need not be a lengthy discussion, nor should it be an Executive Summary discussion either. This means that you should provide sufficient detail so that the ETA reviewer can envision your products and how they might be used. Vague statements to the effect that your findings will enable other dislocated worker projects to improve their services will not leave a clear picture in the minds of the ETA reviewers.

8. BUDGET

> *The Budget is one of the most important sections of your grant proposal. Budgets give experienced reviewers information about your project. A well-thought-out budget eventually becomes a management tool; a budget that doesn't truly represent your project's needs and situation will cause difficulties throughout the life of your project.*

The budget is one of the most important sections of your grant proposal. First, budgets tell ETA whether the scope of your project is accurately reflected in your estimated costs. Experienced reviewers can tell a lot about the quality of the program you have proposed by analyzing your budget. Second, once the grant is awarded, expenditures are expected to follow the estimated budget with only a slight range for minor variations. (Budgets can be modified when necessary, but that requires a submission of a grant modification for a review and approval process similar to the grant application process.) Not only will ETA be collecting financial data quarterly to monitor your expenditures according to the approved budget, it has the right to audit your expenditures long after the grant has ended. Your GOTR will hold you accountable for spending within your approved quarterly budget estimates. Your financial reports will be reviewed by your assigned GOTR or outside auditors.

Third, the budget is an important management tool because it is basically a plan for spending money that is connected to the cost of operating your project. Like all plans, it needs to be reevaluated regularly to test the assumptions made when you initially planned the project. And, like all plans, it may need some occasional revisions. For example, if you underestimated the salaries that would attract the qualified instructors needed for your training program, an adjustment in the line item for “Salaries” and “Fringe Benefits” would need to be made. If that cost were then increased naturally some other cost(s) in your budget would need to be decreased to compensate.

Therefore, managing your project will entail a continuous process of collecting information from your financial management system. The information will let you monitor your costs and make adjustments to either stay within your estimated budget or justify a request for modifying your approved budget. But more on that later.

For now, remember that budgets are important and time spent researching your project’s cost will reduce administrative burdens in the future.

FAQs About Budgets

How do I translate my proposed program activities into a budget?

Start constructing your budget by reviewing your Task/Work Plan/Timeline chart. If this step in your proposal was done correctly, you know what activities must occur and for what duration of time. For each task in your chart, determine who will perform the task—staff, vendors, partners, or consultants—and estimate other activity costs, such as equipment, materials, and supplies. This should produce a list of acquisitions needed for your project. At this point, it doesn’t matter in what order these items may appear. However, it is critical that the list be as exhaustive as possible. Bringing in partners and staff, particularly experienced line staff, is a wise move because they may be able to give you accurate assumptions about the need and cost of services you plan to provide. Even if you are experienced in providing such services, keep in mind that costs continuously change.

While querying community partners, see what items on your list they may be willing to donate such as recruitment activities or eligibility determination. One of the principles of the new WIA legislation is the coordination of resources at the local level to both improve workers’ access to services and reduce costs. Although matching funds are not required, ETA always encourages the linking of resources as a means for sustaining the project beyond the grant period. This is especially important with Partnership Building Grants where training curriculum will only be pilot tested and additional funding sources will be needed to sustain the partnership efforts that developed the response to the employer-identified skill shortage. So, start at this point to recheck your assumptions about what costs associated with your project must be borne by the grantee rather than by partners in the community.

At the conclusion of this exercise, your list can be divided into items that you must fund as “direct costs” and those that can be obtained from community partners at no cost or in the form of in-kind matching funds for such items as space, part-time staff, etc.

Now organize these items into the cost categories that comply with the ETA grant guidelines. You will have two columns—one for direct costs, one for in-kind or matching costs. The direct costs column is the basis for your grant budget. Don't be concerned that you don't know the actual cost of some of the items on your list at this time.

EXAMPLE: HOW TO DETERMINE WHAT MUST BE FUNDED BY THE GRANT

ETA Cost Category	Direct Costs	Matching/In-kind Costs
Personnel Services:		
Staff Wages		
Intake worker	$25,000	
Instructor	$30,000	$30,000
Job developer		$32,000
Case manager	$31,000	
Fringe Benefits @ 26%	$22,360	$16,120
Consultants/Contractors		
Curriculum specialist	12,000	
Materials and Supplies		
Books	1,200	
Desktop supplies	1,200	
Travel		
Staff/consultant	4,300	
Communications		
Telephone toll	??????	
Internet access	?????	
Postage	??????	
Equipment		
PC rentals	????????	
Training Costs		
Participant transportation and support services	??????????	
OJT payments	????????	

Where can I get the information I will need to estimate the cost of each budget item?

If you currently operate similar programs, you probably know what most of the items in your budget will cost from past experience. But here are some reminders of how past experience can mislead you.

- If you plan to provide raises to staff during the grant period, allow for salary escalations in your budget.
- Labor market changes will impact on the cost of all personnel, yours and your subcontractor's. Recent economic improvements have created new competition for staff that must be met by adjusting salaries to meet market demands.
- Fringe benefit costs for health insurance are rising.
- Gasoline prices impact greatly on transportation costs—airfares, use of personal automobiles—even shipping costs.
- Economy of scale will affect costs. A general rule of thumb is that the larger the project, the more cost-efficient it is because there is a larger base

to absorb certain fixed costs. For example, if you currently operate a training class with only 10 trainees, the unit cost will be the total cost of the class divided by 10. However, if your grant allowed you to expand that class to 15 trainees, the unit cost would go down since the fixed costs—teacher salary, rental of space, etc.—would remain the same, or fixed, while the number in the numerator would increase. Materials and supplies are contingent costs—they are contingent on the number of trainees and would increase by 50 percent in the hypothetical example if you added five new trainees to the class. In addition, employers may be willing to pay to expand the class to include employees already on their payroll who require skill upgrades.

How do I budget for on-the-job trainings (OJTs), work experiences, and internships?

If your project provides on-the-job training, paid internships, or wages-for-work experience, the following formulas will help you compute participant costs.

OJT: Employer's cost for training divided in half, but not to exceed an amount equal to 50 percent of the participant's wages, gives you the unit cost of one OJT position. Multiply the unit cost by the number of positions that you anticipate filling over the course of the grant period.

Work experience wages: The hourly wage multiplied by the hours per week multiplied by the number of weeks' duration for the work experience activity, gives you the unit cost for one work experience position. Multiply the unit cost by the number of positions that you anticipate filling over the course of the grant period.

Paid apprenticeships: These are computed following the same formula used for computing work experience wages.

Keep in mind that OJT and work experience positions are unlikely to be filled all the time and that absenteeism will also reduce the actual cost of these activities. The calculations above will represent the MAXIMUM costs of these activities. Realistically, actual cost will be less, depending on the time it takes to fill vacant positions and the amount of participant absenteeism that you can anticipate. Your GOTR will be a good source of advice on this matter if you have had no prior experience providing these services.

What if I don't have an experience base? Our grant is for a brand new project.

If your grant represents a new activity for which neither you nor your colleagues have had any relevant experience, researching the cost of the planned tasks will involve discussions with vendors—people who presently provide those items or similar services. If you are embarking on an innovative project and are concerned that you may misjudge the costs, consult with your local One Stop operators financial officer, who may know or be able to direct you to other organizations that have operated a similar project.

What if my Demonstration project is an extension of or an addition to a previously Government-supported project?

Be sure to let ETA know this in your Executive Summary and include in your budget presentation the extent to which other Government funds are used to defray costs of the Demonstration project. This is done by showing the other Government funds as “in-kind” or “matching” funds. The Department of Labor does not generally use its own funds as matching fundings in reviewing a project’s activities, but this additional funds should always be listed and noted.

Do you have an example of a budget or of worksheets that would help me develop my budget?

Yes, next you’ll find an example of a budget and worksheets with instructions to help you construct your budget. Later you’ll find an example of a spreadsheet that you could adapt.

The worksheets that follow will help you compute common costs and explain your budget request to ETA. Also, if you use a spreadsheet program to plan your budget, you will be able to examine more than one scenario more easily.

Examples of budget forms and worksheets appear on the following pages.

FEDERAL BUDGET INFORMATION FORM AND INSTRUCTIONS

PART II – BUDGET INFORMATION

SECTION A - Budget Summary by Categories

	(A)	(B)	(C)
1. Personnel			
2. ringe Benefits (Rate 25%)			
3. Travel			
4. Equipment			
5. Supplies			
6. Contractual			
7. Other			
8. Total, Direct Cost (Lines 1 through 7)			
9. Indirect Cost (Rate %)			
10. Training Cost/Stipends			
11. TOTAL Funds Requested (Lines 8 through 10)			

SECTION B - Cost Sharing/Match Summary (if appropriate)

	(A)	(B)	(C)
1. Cash Contribution			
2. In-Kind Contribution			
3. TOTAL Cost Sharing / Match (Rate %)			

NOTE: Use Column A to record funds requested for the initial period of performance (i.e., 12 months, 18 months, etc.); Column B to record changes to Column A (i.e., requests for additional funds

or line item changes); and Column C to record the totals (A plus B).

INSTRUCTIONS FOR PART II – BUDGET INFORMATION

SECTION A – Budget Summary by Categories

1. **Personnel**: Show salaries to be paid for project personnel.

2. **Fringe Benefits**: Indicate the rate and amount of fringe benefits.

3. **Travel**: Indicate the amount requested for staff travel. Include funds to cover at least one trip to Washington, D.C., for project director or designee.

4. **Equipment**: Indicate the cost of nonexpendable personal property that has a useful life of more than 1 year with a per-unit cost of $5,000 or more.

5. **Supplies**: Include the cost of consumable supplies and materials to be used during the project period.

6. **Contractual**: Show the amount to be used for (1) procurement contracts—space rent, utilities, etc. (except those which belong on other lines such as supplies and equipment); and (2) subcontracts such as consultants, curriculum developers, translators, auditors, etc.

7. **Other**: Indicate all direct costs not clearly covered by lines 1 through 6 above.

8. **Total, Direct Costs**: Add lines 1 through 7.

9. **Indirect Costs**: Indicate the rate and amount of indirect costs. Please include a copy of your Indirect Cost Agreement.

10. **Training/Stipend Cost**: If the project plans to purchase training from a vendor, or school, tuition costs should be listed here, In addition, if the project plans.to provide income support (stipend) to participants during training, the policy should be stated in the body of the proposal and the cost estimate included in this line item. Also, include training related costs such as books, laboratory fees, training/work related clothing such as uniforms, and license costs,.

11. **Total Federal Funds Requested**: Show total of lines 8 through 10.

SECTION B – Cost Sharing/Matching Summary

Indicate the actual rate and amount of cost sharing/matching when there is a cost sharing/matching requirement. Also include percentage of total project cost and indicate source of cost

sharing/matching funds; i.e., other Federal source or other Non-Federal source.

NOTE: PLEASE INCLUDE A DETAILED COST ANALYSIS OF EACH LINE ITEM.

BUDGET WORK SHEETS

The following instructions and worksheets are offered here to help you complete your grant proposal budget in six cost categories. References to applicable Office of Management and Budget (OMB) circulars are made as appropriate.

The six cost categories are:

1A – Personnel Salaries
1B – Personnel Fringe Benefits (employer's share)
2 – Personnel Travel
3 – Rental, Lease, or Purchase of Equipment
4 – Supplies
5 – Other Cost Category

SAMPLE BUDGET INFORMATION WORKSHEETS

(1A) Personnel — Salaries

Project:

Position or Title	*A* *# Staff*	*B* *Avg. Monthly Salary*	*C* *% Time (on contract)*	*D* *# Months of Service*	*E* *Total AxBxCxD*	*F* *Share Direct Cost*	*G* *In-kind/Matc Share*
				Total Salaries	0	0	

* For audit purposes, timesheets and payroll data must be kept on file.
** Costs not allowable or already being paid by other sources.

SAMPLE BUDGET INFORMATION WORKSHEETS

(1B) Personnel — Fringe Benefits (Employer's Share)

Project:			
Fringe Benefits Based on (1a) Salaries Paid	***A*** ***Total***	***B*** ***Paid as Direct Cost***	***C*** ***Paid as Match***
Total Fringe	0	0	0

* For audit purposes, timesheets and payroll data must be kept on file.
** Costs not allowable or already being paid by other sources.

SAMPLE BUDGET INFORMATION WORKSHEETS

(2) Personnel — Travel

Project:			
Type of Travel Expense (mileage/food/lodging, etc.)	***A*** ***Total***	***B*** ***Paid as Direct Cost***	***C*** ***Paid as Match***
Total Travel	**0**	**0**	**0**

* For audit purposes, receipts and other detailed records must be kept on file.
** Costs not allowable or already being paid by other sources.

SAMPLE BUDGET INFORMATION WORKSHEETS

(3) Supplies

Project:			
Materials and Supplies (description and basis of cost)	***A*** *Total*	***B*** *Paid as Direct Cost*	***C*** *Paid as In-kind*
Total Materials and Supplies	0	0	0

* For audit purposes, receipts and other detailed records must be kept on file.
** Costs not allowable or already being paid by other sources.

SAMPLE BUDGET INFORMATION WORKSHEETS

(4) Rental, Lease, or Purchase of Equipment
(Cost in excess of the lower: $5,000 or contractor's capitalization threshold)

Project:				
Equipment (description and basis of cost)	***Method Used (rent/lease/buy)***	***A Total***	***B Paid as Direct Cost***	***C Paid as In-kind***
	Total Equipment	0	0	0

* For audit purposes, receipts and other detailed records must be kept on file.
** Costs not allowable or already being paid by other sources.
*** All of the equipment must be tagged, numbered, and inventoried.

SAMPLE BUDGET INFORMATION WORKSHEETS

(5) Other Costs

Project:			
Other Costs (description and basis of cost)	***A*** ***Total***	***B*** ***Paid as Direct Cost***	***C*** ***Paid as In-kind***
Total Other Costs	0	0	0

* For audit purposes, receipts and other detailed records must be kept on file.
** Costs not allowable or already being paid by other sources.

SAMPLE BUDGET INFORMATION WORKSHEETS

(5) Contractural

Project:			
Contractural (description and basis of cost)	***A*** ***Total***	***B*** ***Paid as Direct Cost***	***C*** ***Paid as In-kind***
Total Contractural	0	0	0

* For audit purposes, receipts and other detailed records must be kept on file.
** Costs not allowable or already being paid by other sources.

BUDGET WORK SHEET INSTRUCTIONS

(1A) Personnel — Salaries

Position or Title: Enter the title for each position. These titles must match the job descriptions, organizational charts, and staffing narrative. Indicate the positions that are part time, and for these indicate how many hours are worked per week.

(A) Number of Staff for Positions

Enter the number of individuals per position, such as Executive Director 1, Program Coordinator 1, Program Managers 3, etc. If several positions within a single category (e.g., Program Managers) are filled by employees making different salaries, each position at a different salary must be listed on a separate line. (Example: Program Manager I includes one employee at Salary Level $2,600 per month; Program Manager II includes one employee at Salary Level $2,675 per month; Counselor III includes one employee at Salary Level $2,750 per month. Each of the three Salary Levels would appear as a separate line item.) Employees working either part time or full time but less than 100% on the proposed program must be listed on separate lines.

(B) Average Monthly Salary

Enter the average monthly salary, **NOT** necessarily the average full-time salary. Since pay periods vary from agency to agency, the average would be the annual total salary divided by 12. If the position is for less than 40 hours per week and therefore is considered part time, enter the average monthly salary for that position. If offeror anticipates an employee receiving a salary raise during the year, figure the average monthly salary for the entire year based on the sum of the two salary figures for the number of months the employee will receive each salary. (Example: Program Manager I will be upgraded to a Program Manager II in March of 2001. Her/his average salary would be based on 6 months of salary at $2,600 and 6 months at $2,675. Average monthly salary would be entered as $2,637.50.)

(C) Percentage of Time on Budgeted Job

Enter the percentage of time the person is working in the proposed program as opposed to time working in other programs. Full- or part-time employees who are working exclusively for the budgeted program should be shown as 100% employees. Part-time positions would be designated in the Position or Title column. The *Budget Narrative* must identify how time is allotted for positions only partially allocated to the program. Allocated time sheets must be maintained for these employees.

Employees working part time but dedicating all (100%) of their time to the proposed program or working full or part time but dedicating only a percentage of their time to the program should be shown on separate lines from full-time employees dedicating 100% of their time to the program, even if they are filling comparable positions. (Example: One Program Manager I works 20 hours per week 100% on the program. Her/his average Monthly Salary is $1,300 but % Time on Contract is 100%. List this position on a separate line from the other Program Manager positions. Another Program Manager I works full time but only 50% of her/his time is devoted to the program. His/her Average Monthly Salary is $2,600, but % Time on Contract is only 50%. List this position also on a separate line from the other Program Manager I positions.)

(D) Number of Months Employed

Enter the number of months the position is projected to be filled during the contract period. If offeror has more than one employee in the same position at the same salary level, but they are employed for different periods (e.g., one for 9 months and one for 12 months), each employee should be entered on a separate line.

(E) Total

Enter the total that is the product of columns AxBxCxD for each line.

(F) Reimbursable

Enter the amount for which the offeror is requesting reimbursement from the contract.

(1B) Personnel — Fringe Benefits (Employer's Share)

Enter under the column entitled “Fringe Benefits Based on (1A) Salaries Paid” the category of the fringe benefits and the detailed computations justifying the amounts budgeted. The following are examples of common fringe benefits and their required computations.

FICA

The amount budgeted for FICA (Federal Insurance Contributions Act - Social Security) is detailed as follows under the column entitled “Fringe Benefits Based on (1A) Salaries Paid.”

FICA rate times (X) total salary (up to the minimum base for the current year) equals the respective amount budgeted.

State Unemployment Compensation Act

Rate (rate is assigned by State) times (X) covered salaries

Health Insurance

Individual premium per month times (X) number of employees times (X) number of months.

Worker's Compensation

Professional rate per $100 X salaries; clerical rate per $100 X salaries; maintenance rate per $100 X salaries. Worker's Compensation is purchased through private insurance firms that determine the appropriate employment classification and rates.

Retirement

Rate (depends on type of plan) X salaries (if all employees are **NOT** included, specify to whom it applies)

Accrual of Leave (e.g., annual or sick leave)

Rate per employee per month

(2) Personnel — Travel

(A) Type of Expense

Enter the type of travel expense being budgeted, such as mileage, food, transportation, or lodging. Meals and lodging may be computed on a flat per diem basis* or a cost-incurred basis**. The offeror may use either method but must use the same method consistently to compute all costs for meals and lodging. Specify which method is being used.

Per diem rate: Budgeting and reimbursement are computed on a per diem rate not to exceed the lesser of either the Federal or State per diem rate currently in effect. Reimbursement must be substantiated by adequate documentation.

*****Cost-incurred basis***: Budgeting and reimbursement using this method must be substantiated by receipts documenting the expenses claimed. The costs must be reasonable, and applicable costs may not exceed the State employee per diem and mileage rate.

(B) Purpose (Destination and Benefits to the Program)

The reason for travel and benefit to the program must be clearly explained and justified. Enter the detailed computations justifying the respective amounts budgeted. Items normally included would be positions authorized to travel, number of miles to be traveled per unit (month, trip, etc.), number of units, and rate of reimbursement per mile.

(3) Materials and Supplies

Description and Basis for Cost: For each of the supply categories used (office supplies, maintenance supplies, program supplies, etc.), enter the detailed computations justifying the respective amounts budgeted. The basis for all estimates must be indicated as part of the line item or as a footnote.

The following are examples of budget justifications for amounts budgeted for Materials and Supplies.

EXAMPLE

Description and Basis For Cost	Total
Office supplies Basic consumable office supplies such as paper, pens, file folders, etc., estimated based on prior year's expenses at $75.00 per year per staff person X 5 staff	$ 375.00
Training Supplies To include study guides and handouts, estimated at $15 per person per training session X 100 participants (one training), plus presentation materials (such as flip charts, markers, overhead slides)	$1,650.00
Maintenance and Cleaning Supplies To include equipment such as mops and brooms, replacement light bulbs, paper towels and soap, cleaning solutions, and similar supplies. Based on last year's cost for similar program plus 10% projected price increase.	$ 740.00
Computer Purchase of one pentium-class personal computer, minimum 300 mhertz, 32 mg RAM with Windows 95 or 98 and a printer is required to report client data to PRS.	$1,200.00

(4) Rental, Lease, or Purchase of Equipment

OMB Circular A-122, Attachment B, 15, A. (1), defines equipment as follows: "Equipment means an article of non-expendable, tangible personal property having a useful life of more than 1 year and an acquisition cost which equals or exceeds the lesser of (a) the capitalization level established by the organization for the financial statement purposes, or (b) $5,000." If the organization has established a different definition for equipment, that should be used.

Description and Basis for Valuation: Enter the quantity and description of each item budgeted. Unless otherwise stated, the basis of valuation is assumed to be the cost basis.

Method Used: Enter the method used to secure the equipment budgeted from the following:

a. Equipment may be purchased, rented, or leased (without the intention of an eventual purchase). Copies of lease agreements must be viewed by the contract manager and kept on file by the agency. Equipment cannot be leased if the cost of leasing exceeds the cost of purchase over the life of the contract.

b. If the agency already owns items of equipment or if items of equipment to be purchased cost $10,000 or more per unit, a depreciation or use charge can be budgeted.

c. List **Equipment** costs only. Office/space rental costs should be listed on the (4) *Other Costs* budget page.

The following are examples of budgeting for equipment items:

EXAMPLE

Description and Basis For Valuation	Method Used	Total
One Local Area Network System	Purchase	$5,279
One Xerox 5845C High Speed Copier MSDS# B-0289 @ $125 per mo. (Purchase cost $7,500)	Lease	$1,500

Items normally considered to be equipment but which cost less than $5,000 (or the offeror's cost threshold for equipment, if a lesser amount) should be entered on the *Materials and Supplies* budget page, even though their life expectancy is more than 1 year. Lease costs for an item normally considered equipment but falling below the purchase-price threshold should be entered on the *Other Costs* budget page.

(5) Contractural

Description and Basis For Cost

Enter the items that you know you will be obligated to pay either through a specific contract such as a lease for rental space, utilities—phone bill, heating and airconditioning, as well as contracts with individuals and organizations. For example, if you plan to contract the recruitment or assessment activity to an organization, or contract with consultants for technical assistance in program operations, in survey development or curriculum development. In addition, each grantee is required to perform an audit of the grant financial transactions at the end of the grant.

(6) Other Costs

Description and Basis For Cost:

Enter the items that do not fit under any other cost categories. **Any subcontracted services should be shown on this page, with a full explanation in the *Budget Narrative.***

Indirect costs, if applicable, should be included on the *Other Costs* budget page as the final line item. Indirect costs are defined as "costs that cannot be identified specifically with a particular final cost objective and are incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved." Indirect Costs must be based on a rate previously approved by the offeror's cognizant Federal agency and a copy of the certification document must be submitted with the Budget Narrative. Frequently, colleges and universities have negotiated indirect cost rates from the U. S. Department of Education, check we the inistitution's financial office for advice on this area. If the offeror has no such approval, adequate documentation must be submitted which justifies the figures and methods used to arrive at a proposed indirect rate, which will be subject to approval by the grant officer. For specific information on indirect costs and their computation, refer to the applicable OMB Circulars A-87, A-110, or A-122.